

REPORT

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CENTRAL INTELLIGENCE AGENCY

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This policy was considered less expensive than increasing the HO's own trading machinery.

- b. The political situation demanded greater loyalty to the regime. Within the framework of the struggle for German unity, the HO policy must be changed, and the policy prevailing hitherto must be repudiated. Some of the businesses taken over by the HO on lease or under trusteeship would be returned to private ownership in order to demonstrate a policy of appeasement towards the West and to repudiate the radical policy. The false (radical) policy had been inspired by traitorous elements within the directing body of the HO.

Comment: It is believed that it was Wilke's office which suggested that the 34% increase in the income of private industry was too favorable, and either the Ministry of Finance or the State Planning Commission (probably the former) which replied that the Government had endorsed the expansion of private enterprise.

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